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MINUTES OF THE BOARD OF SUPERVISORS *MC*
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held June 24, 2008, the Board took the following action:

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At the time and place regularly set, notice having been duly given, the following item was called up:

Hearing on proposed Department of Mental Health's
Published Charges for Fiscal Year 2008-09, effective
July 1, 2008, to comply with Federal Short-Doyle/Medi-Cal
(SD/MC) Lower of Cost or Changes reimbursement and routine
cost requirements, as further described in the attached letter
dated June 24, 2008 from the Director of Mental Health.

Opportunity was given for interested persons to address the Board. No interested persons addressed the Board. No written correspondence was presented.

On motion of Supervisor Antonovich, seconded by Supervisor Molina, unanimously carried (Supervisor Knabe being absent), the Board closed the hearing and approved the Department of Mental Health's Published Charges for Fiscal Year 2008-09, effective July 1, 2008.

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Attachment

Copies distributed:

Each Supervisor
Acting Auditor-Controller
Chief Executive Officer
County Counsel
Director of Mental Health



RECEIVED
JUL 08 2008
DIRECTOR OF MENTAL HEALTH



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

June 24, 2008

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JUN 24 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**DEPARTMENT OF MENTAL HEALTH: HEARING ON PUBLISHED CHARGES FOR
FISCAL YEAR 2008-09
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Establish Published Charges for Fiscal Year 2008-09 to comply with Federal Short-Doyle/Medi-Cal Lower of Cost or Charges reimbursement and routine cost requirements.

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

1. Approve Department of Mental Health's (DMH) proposed Published Charges (Attachment) for Fiscal Year (FY) 2008-09, effective July 1, 2008 to comply with Federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges (LCC) reimbursement and routine cost requirements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board action is required to ensure that Published Charges are established in compliance with Medi-Cal requirements. The recovery of federal revenues in compliance with State and federal regulations necessitates that Published Charges be established at least annually. Federal requirements stipulate that Published Charges are to be determined at the County level. The recommended Published Charges comply with SD/MC audit requirements.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the Countywide Strategic Plan's Organizational Goal No. 4, Fiscal Responsibility. This Action will ensure that Published Charges are in compliance with Medi-Cal requirements, thereby averting federal LCC audit disallowances.

FISCAL IMPACT/FINANCING

There is no fiscal impact.

Federal LCC audit disallowances will be avoided because of compliance with Medi-Cal regulations. DMH has not included any charges, which are set by either State or federal agencies, for which it has no jurisdictional rate setting authority. DMH will bill those charges as directed by those authorities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Published Charges for FY 2008-09 were developed based on actual cost report data. The cost report data was adjusted by the Federal Home Health Agency Market Basket Index.

In FY 2003-04, your Board approved revised Published Charges which permitted DMH to reflect two sets of rates, a rate for Medi-Cal and a rate for non-Medi-Cal responsible financial parties. The non-Medi-Cal rates include administrative overhead costs for all services that are billed to non-Medi-Cal responsible financial parties. The methodology to calculate the Published Charges to bill Medi-Cal plans remains the same as originally approved by your Board. The rates for Medi-Cal plans do not include administrative overhead costs. Medi-Cal administrative costs are reimbursed through a separate and specific mandated State reimbursement method.

The public hearing notice requirements of Government Code Section 6062 (a) have been satisfied and public hearing requirements of Government Code Section 66018 will be satisfied by this action.

IMPACT ON CURRENT SERVICES

The recommended revised Published Charges for FY 2008-09 will become effective July 1, 2008. Failure to establish new annual Published Charges could result in reduced revenues from non-Medi-Cal, Medi-Cal, and Healthy Families plans due to the use of charges that do not sufficiently reflect actual costs.

Honorable Board of Supervisors
June 24, 2008
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CONCLUSION

The Department of Mental Health will need one copy of the adopted Board action. It is requested that the Executive Officer, Board of Supervisors, notify the Department of Mental Health Contracts Development and Administration Division, at (213) 738-4684 when this document is available.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
MLM:DS:yb

Attachment

c: County Counsel
Auditor-Controller
Department of Mental Health
Chairperson, Mental Health Commission

062408_DMH_Published Rates